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The Potential Effect of Cultural Differences in a Culturally Diverse Work Environment

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On the eve of the 21st century, the challenges facing organizations are quite different than they were just a few short decades ago—change has become more rapid and more complex. A recent survey revealed American managers feel that coping with this rapid change is itself the most common problem facing them and their organizations today.[1] Experts tell us that organizations are facing the specific challenges of global competition and see a need for organizational renewal, finding strategic advantage, maintaining high standards of ethics and social responsibility, supporting diversity, and managing the new employee relationships that emphasize empowerment and team.[2]

Each of the specific challenges mentioned above is impacted by culture. The way these challenges are addressed and resolved can differ significantly from culture to culture. The cultural differences that exist cause people to see the same problem from different perspectives, be motivated by different forces, and arrive at different solutions in resolving a problem. This can be especially significant in situations where there is team emphasis and members are drawn from differing cultures. Understanding and being able to adjust to these cultural differences can affect how the team duties are carried out and its mission accomplishment. A recent survey solicited the views of a group of logisticians from various countries, who are members of an international professional logistics society, to identify cultural differences that might exist between American logisticians and those from foreign countries. The survey instrument was designed to determine if national cultural differences could in any way be reflected in the respondents' conception of the *ideal* job, their internalized values, and the demographics of people in the logistics profession. An understanding of any culturally based differences gives organizations an opportunity to develop a proactive program for preparing its work force to operate effectively in various circumstances. This can reduce anxiety and frustration when dealing with an unknown and culturally unfathomable situation, and it should result in improved performance.

Logistics is an area that extensively utilizes information technology (IT) in the daily performance of logistics tasks. IT is a critical element in the control systems established by organizations to ensure effective performance and efficient use of resources. Advanced information technology has been defined as involving the generation, aggregation, storage, modification, and speedy transmission of information made possible by the advent of computers and related devices.[3] More simply, ". . . information technology refers to any processes, practices or systems that facilitate processing and transporting information."[4] It has dramatically changed the way people perform their assigned tasks and interact with each other and how organizations are managed. Globalization has resulted in organizations having people and facilities located in many culturally diverse countries. Experts estimate that 25 to 50 percent of an employee's job behavior is culturally determined. Thus, culture does affect perception, performance, and understanding of job requirements. Managing cultural differences can significantly impact how effectively these culturally diverse team members mesh.

Culture is an extremely broad concept because it includes almost all socially learned behaviors. Much of the complex behavior of humans is inexplicable on the basis of innate proclivities and can only be explained on the basis of culture. Simply, culture can be defined as a set of shared ideas or customs, beliefs, and knowledge that characterize a way of life. Sir Edward Tylor, the 19th century British anthropologist, defined culture more fully as that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society.[5]

Culture is behavior learned from others rather than from individual experience. Culture is responsible for most of the personality traits that were once carelessly attributed to race. People become American, Irish, or Korean because they absorb the culture of American, Irish, or Korean society. A society is any organized group of people with a distinct identity, territorial area, and distinctive way of life (a culture). A society is, therefore, nothing more than a group of people with a common culture.[6,7]

Culture evolves over time in response to the needs of society's individual members. Cultures are not accidental. They are composed of provisions for human biological, economic, and even psychological well being. Culture permits humans to adapt much more readily to various living conditions. Without the benefit of learning passed down from their ancestors, each new generation would have to reinvent societal responses to life's situations and problems. Human beings' almost total reliance on learned behavior, rather than on instinctive behavior, is what makes them different from and superior to other animals.[8] As time has passed, the patterns of life that we call culture have grown more complex and become the means of adapting to a wide variety of environments.[9] These are the learned behavioral patterns that people bring with them when they become members of an organization.

An example of how cultural differences in various societies are reflected in their respective societal value systems was provided in a 1993 study by Trice and Beyer. This study examined the distinctive national organizational cultures that have evolved and are currently typical of Japanese and American firms.[10] The differences that have developed resulted from history and geography. Japan's culture is based primarily on Confucianism and Buddhism. It has a history of protecting its borders from foreigners, which has led to homogeneity of the Japanese population and a fear and mistrust of foreigners. The United States, on the other hand, has been influenced by the Protestant ethnic, and it has had a history of open borders and heterogeneity. The diverse immigrant groups coming to America have brought with them their unique ethnic and national cultures.[11] Table 1 portrays these differences.

Culture at the organizational level is more complicated when a firm operates and draws its personnel from the global environment or finds its personnel working in concert with those of other organizations or nations in a team context on a joint, cooperative effort. The recent trend toward globalization of business makes it imperative that organizations recognize these national cultural differences. If an

Japanese Culture Emphasizes	American Culture Emphasizes
1. Collectivism & Groups	1. Individualism
2. Family & Respect for Authority	2. The Individual & Youth
3. Cooperation & Harmony	3. Competition, Conflict & Confrontation & Differences
4. Patience & Long-Term Results	4. Immediacy & Short-Term Results
5. Humility & Austerity	5. Self-Promotion & Material Wealth

Table 1. Japanese Versus American Organizational Cultures[14]

organization is to develop a strong, homogeneous culture, it must find a way to bring its employees under the umbrella of its own unique organizational culture and resolve initial disparities. Organizational culture has been defined as the sharing of philosophies, ideologies, values, assumptions, beliefs, expectations, attitudes, and norms that knot a community together. All of these interrelated psychological qualities reveal a group's agreement, implicit or explicit, on how to approach decisions and problems.[12]

Put a bit more succinctly, organizational culture is the set of shared values that control organizational members' interactions with each other and with suppliers, customers, and other people outside the organization.[13]

Culture at this level provides members with a sense of organizational identity and generates a commitment to the firm's beliefs and values that are larger than the employees themselves. Culture serves two very critical functions for an organization. First, it integrates members so that they understand how to relate to each other. Organizational culture guides working relationships, communications, what constitutes acceptable versus unacceptable behavior, and how status and power are allocated. Second, it helps the organization adapt to the external environment in meeting goals and dealing with outsiders.[15] Organizational culture is critical for the effective functioning of the firm.

In a seminal monumental 1980 study of more than 116,000 IBM employees by the Dutch social scientist Geert Hofstede, he discovered four basic dimensions along which work-related values differed across cultures: power distance, uncertainty avoidance, masculinity/ femininity, and individualism/collectivism.[16] Later work by Bond resulted in a fifth dimension, the long-term/short-term orientation. Some of these terms need additional explanation. Power distance refers to the degree to which society's members accept an unequal distribution of power. Uncertainty avoidance relates to the extent to which people are uneasy with ambiguous and uncertain situations. Masculinity/femininity refers to how clearly culture differentiates gender roles, supports male dominance, and stresses economic performance. Individualism/collectivism focuses on the amount of stress put on independence, individual initiative and privacy versus interdependence, and loyalty to the group. Finally, cultures that have long-term orientation stress and emphasize persistence, perseverance, and thrift and pay close attention to status differences, while those that emphasize short-term orientation stress personal steadiness and stability, face-saving, and social niceties.[17] Hofstede used this information to produce some very interesting cultural maps that show how countries and regions cluster together in pairs of cultural dimensions. For example, Canada and the United States are close on the small power distance and high individualism dimensions, while Mexico falls into the area of countries with large power distance and low individualism. In another cultural map, Canada and the United States still tracked very closely together when all five dimensions were considered, and Mexico was still significantly different from them on all dimensions.[18]

An important message that comes from Hofstede's cross-cultural study of values is that organizational behavior theories (leadership and motivation, for example), research, and practices from one country might not translate well to other societies, even ones in close proximity like Mexico is to the United States. For instance, managers from the United States and Canada tend to encourage a moderate degree of worker participation in job-related decisions. This represents the low degree of power distance valued in those countries. Attempting to translate this particular leadership style to other cultures, like Mexico, that value high-power distance might prove unwise and disastrous. In these high-power distance cultures, people would be much more comfortable deferring to the boss's decision. That would make it extremely unlikely that a very open and highly participative company like Ben and Jerry's Ice Cream could successfully translate its lower power distance approach to all its overseas locations. Similarly, in North America where individualism is stressed, focusing attention on one's own accomplishment is expected and often rewarded in organizations. On the other hand, in more collective South American or Asian cultures, individual success is downplayed, and it would make more sense to reward the group rather than the individual. Finally, in highly masculine cultures, the integration of women into leadership and management positions might require some special sensitivity and timing along with intensive training.[19] One of this study's findings regarding gender differences in the number of female professional logisticians represented in non-American versus American respondents illustrates the point.

Fifty-six percent of Americans believed people worked together when their joint contribution was necessary to accomplish the task, while 57 percent of non-Americans felt that people worked together because the collaboration was personally satisfying, stimulating, or challenging. This indicates that Americans are more task oriented while non-Americans are more relationship oriented. The second question related to legitimacy of control. Fifty-six percent of Americans believed it was legitimate for one person to control another's activities if the role prescribed that the person was responsible for and had authority to direct the other person. Among non-Americans, a majority could not agree on a single answer. Only 43 percent agreed that it was legitimate for one person to control another's activities if the person being controlled accepted the situation in the belief the help or instruction being given would contribute to learning and growth. The indication here is that Americans recognize formal authority related to role or position, while non-Americans recognize direction if the person accepts it voluntarily and perceives it as potentially personally beneficial.

Fifty-seven percent of Americans believed a good organizational member gives first priority to the task's requirements for skill, ability, energy, and materiel resources. Sixty-one percent of non-Americans agreed. The remaining 43 percent of Americans all thought that good organizational members gave first priority to the duties, responsibilities, and requirements of their role and the customary standards of personal behavior, while non-Americans were spread over all the other possible choices. So while Americans and non-Americans are basically in agreement on the importance of task, to Americans, role considerations are almost equally as important. The vast majority of both Americans (92 percent) and non-Americans (93 percent) agreed that the basis for any job assignment should be predicated on the resource and expertise requirements of the job to be accomplished. The differences here, however, occurred in that none of the American respondents thought personal wishes, learning needs, or individual growth should influence the assignment, while non-Americans believed neither the needs or judgment of those in

authority nor the formal division of functions and responsibilities of the system should be considered. Finally, 61 percent of Americans believed organizational success comes to those who are technically effective and competent with an accompanying strong commitment to getting the job done. Fifty-two percent of non-Americans believed organizational success came to those who are effective and competent in personal relationships and have a strong commitment to the growth and development of people.

Table 3 contains the results of the analysis of the survey section on the ideal job. Thirty percent of non-Americans felt higher earnings were the most important characteristic of an *ideal* job, while only 19 percent of Americans felt the same way. Eighty-six percent of Americans felt that having sufficient time left for family or personal life was a very important characteristic of the job compared to only 67 percent of non-Americans. Of far more interest on this section of the survey is an examination of the top five ranked characteristics for each of the two groups. Both Americans and non-Americans placed challenging tasks, making a contribution, working relationships, and freedom to adopt their own approach to the job in the top five, although their specific ranking differed to some extent. Americans did not rank having cooperative workers in the top five grouping, while non-Americans omitted having sufficient time for family and personal life. The most important characteristic for Americans was having challenging tasks to perform, but non-Americans believed making contributions was the primary characteristic. These findings are consistent with those in the values section where Americans leaned toward task and to a lesser extent role, and non-Americans were inclined toward self with some emphasis on task.

The results of the final section of the survey, which solicited demographic information from both groups, are presented in Table 4. Non-American logisticians classified their jobs as managerial in 82 percent of the responses, while only 56 percent of Americans stated that they occupied a managerial role. Again, this is consistent with the fact that many non-American cultures regard membership in a professional society, such as the Society of Logistics Engineers, as a prestige item, and firms will only sponsor and fund management personnel for such membership. Twenty percent of non-American respondents were employed in the logistics field for 6 years or less, while only 11 percent of Americans had this low level of experience. Additionally, non-American logisticians tended to be younger with 61 percent of respondents being 49 years old or younger, while 52 percent of Americans were older than that. A higher proportion of Americans, 92 percent to 83 percent, possessed undergraduate degrees, and 22 percent of Americans held a specialized graduate degree in logistics as

Question Stem Related To	Chi-Square Value	Mean
1. Good Boss	.364	.288
2. Working Together	.049	3.34
3. Purpose or Competition	.167	2.76
4. Organizational Conflict	.848	3.15
5. Decision Making	.848	2.78
6. Appropriate Control & Comm Structure	.133	2.91
7. External Environment	.567	3.00
8. Good Subordinate	.311	2.78
9. Good Member of Organization	.085	2.65
10. Treatment of Individual	.116	2.81
11. Control and Influence of Individual	.379	2.80
12. Legitimacy of Control	.046	2.73
13. Basis for Job Assignments	.084	2.94
14. Reason Work Performed	.966	2.62
15. Success in Organization	.087	2.71

Table 2. American Versus Non-American Beliefs

opposed to only 10 percent of non-Americans. In summary, American logisticians were a little older than their foreign counterparts, but they were more experienced, had a higher educational level, and had more specialized graduate logistics training. They were also more likely to be female.

While there are a great many similarities between American and non-American logisticians in spite of their cultural dissimilarities, there are also some significant differences between the two groups. In order to highlight these differences and portray them more clearly and succinctly, Table 5 was constructed. The object here was to present the significant cultural values and beliefs, the key characteristics of the *ideal* job, and the important demographic dissimilarities in one consolidated table so a profile of the most important culturally influenced differences between Americans and non-Americans could be depicted and understood. The inventions, like information technology, that a culture has created or borrowed from other cultures are that culture's technology. Changes that occur in the currently available technology can significantly alter the balance of forces that maintain an existing culture. Media technology has had a major impact on cultures around the world (for example, microchips and software). It has altered and extended sensory capabilities to communicate across time and over long distances. Media are defined as any technologies that extend human ability to communicate beyond the limits of face-to-face contacts. Media technologies influence peoples' perceptions about other cultures and members of those cultures they come in contact with through these media. Media-generated stereotypes have important consequences for the processes and outcomes resulting from intercultural communication.[20] Thus, individuals working in a team environment with those from other cultures could experience misperceptions, miscommunications, and misunderstandings because of existing cultural differences. The findings detailed in Table 5 show the differences between American and non-American logisticians that could lead to problems in implementation, utilization, and acceptance of IT initiatives and other types of operations within the organizational context.

The study confirmed that there are significant differences in orientation and motivation based on cultural values. For example, the study results were consistent with the widely held stereotype of Americans. This view portrays American culture as placing a strong emphasis on personal choice and achievement. Hence, Americans are seen as independent, aggressive, and focused on goal or mission achievement. The survey section devoted to values and beliefs demonstrated that task was the primary focus for Americans in all five areas. Thus, Americans seem to concentrate on task in order to ensure that the job gets done and the goal and mission are accomplished.

In contrast, many non-American cultures are stereotyped as placing the heaviest emphasis on the needs, demands, and accomplishments of groups such as families, clans, villages, or countries. In these cultures, the individual defers to the group and its welfare. The study is again consistent with this stereotype. Three of the five belief-and-value areas for non-Americans had a self-orientation with a fourth emphasizing task but with a self-aspect. It is important to remember that the self-questions were constructed so that self-considerations occurred in the context of relationships. Finally, Americans believe individuals should be rewarded and recognized on the basis of personal achievement. This would further explain the task focus results from the study. While some criticize this belief in reward for individual accomplishment and feel it has had a detrimental effect by pressuring people to compete for success, it has encouraged individual talents and skills that may not have been recognized or utilized in more stratified societies. More

American			Non-American		
Characteristic	Chi-Square Value	Mean	Characteristics	Chi-Square Value	Mean
1. Challenging Tasks	.360	1.69	1. Make Contributions	.268	1.78
2. Make Contributions	.268	1.73	2. Work Relationships	.860	1.79
3. Time for Family	.098	1.84	3. Challenging Tasks	.360	1.88
4. Working Relationships	.860	1.89	4. Cooperative Workers	.315	2.01
5. Freedom to Adopt to Own Job Approach	.432	1.97	5. Freedom to Adopt to Own Job Approach	.432	2.03
6. Cooperative Workers	.315	2.08	6. Opportunity for Higher Earnings	.044	2.06
7. Opportunity for Higher Earnings	.044	2.14	7. Time for Family	.098	2.12
8. Employment Security	.294	2.22	8. Advancement Opportunity	.721	2.19
9. Job Variety	.603	2.25	9. Job Variety	.603	2.33
10. Advancement Opportunity	.721	2.28	10. Be Consulted	.842	2.45
11. Be Consulted	.842	2.41	11. Employment Security	.294	2.54
12. Help Others	.166	2.58	12. Good Working Conditions	.860	2.63
13. Good Working Conditions	.860	2.72	13. Help Others	.166	2.87
14. Serve Your Country	.187	2.83	14. Serve Your Country	.187	2.93
15. Work With Clear Directions	.729	2.92	15. Work With Clear Directions	.729	3.10
16. Little Stress and Tension	.434	3.23	16. Work for Successful Company	.254	3.15
17. Work for Successful Company	.254	3.38	17. Little Stress and Tension	.434	3.28

Table 3. Ideal Job Characteristics Rank Ordering

tradition-bound societies and cultures emphasize group reward for group effort. This, too, is consistent with the study results for non-Americans.

The study concluded that, although there are many similarities between American and non-American logisticians, there are also several culturally based differences. American beliefs and values are heavily influenced by their orientation toward task and to a lesser extent role, while non-Americans are more influenced by self and more minimally task oriented.

Category	Chi-Square	Degrees of Freedom
1. Gender and Marital Status	.022	3
2. Age	.490	5
3. Undergraduate Degree	.322	2
4. Graduate Degree	.267	3
5. Professional Certification	.148	2
6. Prior International Logistics Conference Attendance	.924	1
7. Managerial Status	.001	1
8. Type Organization Employed By	.579	2
9. Number of Years Employed in Logistics	.077	3

Table 4. Demographic Data

The American version of the *ideal* job focuses on time for family and personal life with only minor interest in the opportunity for higher earnings, while non-Americans reverse the emphasis.

American logisticians are more likely to be female, nonmanagerial, more experienced, and better educated than their non-American counterparts.

Successful organizations have learned to blend the values of the headquarters' corporate culture with those of nations that host their overseas operations and from which they draw their personnel. This requires a delicate balancing act. The firm must export its overall corporate culture and philosophy and then tailor it to the local needs, customs, and values of a country. National Semiconductor, a US-based firm, has a very systematic technical decision-making process. However, in Israel, where it has a facility, the culture tends to be far more informal and collective than in the United States. Therefore, in its Israeli operation, the firm has developed a hybrid decision-making process. It is still very systematic, but it incorporates a team-oriented and participative style. This meets the overall corporate cultural need and also respects the existing societal cultural values.[21] This is not only a wise approach but also a necessary one. Culture can be changed, but it is not an easy process. A phenomenon called ethnocentrism makes it difficult. Ethnocentrism is the belief the customs and practices of one's own culture are superior to those of any other culture.[22] Thus, adapting the organization's culture to existing local cultural differences while maintaining its essential features is a far more sensible approach with a higher probability of success. As the study showed, cultural differences do exist and must be dealt with.

The results of the study indicate that the wisest course of action for any organization that operates in other cultures, has personnel assigned to work with members from other cultures, or has a culturally diverse work force is to explicitly recognize that cultural differences exist and need to be addressed. Personnel need to able to recognize, understand, and function in a culturally diverse environment. Specifically organizations need to:

- Provide information and training to personnel assigned to a foreign country or work directly with members from other cultures in a team environment.
- Be flexible and sensitive to how existing technology applications, procedures, and uses could affect, conflict with, or alter other cultures.
- Understand and view its operations in the context of the various cultures it or its personnel will operate within.
- Export its overall corporate culture and philosophy to operations in or its personnel participation within other cultures but deftly tailor them to the local needs, customs, and values of each culture within which it or its people operate.

Beliefs and Values	Chi-Square Score	American Orientation	Non-American Orientation
1. Working Together	.049	Task.	Self.
2. Legitimacy of Control	.046	Role.	Self.
3. Good Organizational Member	.085	Task with very strong role emphasis.	Task.
4. Basis of Job Assignment	.084	Task without considering self.	Task without considering role or boss.
5. Organizational Success	.087	Task.	Self.
Ideal Job			
6. Opportunity for Higher Earnings	.044	Only 19% believe it a most important characteristic.	30% felt it a most important characteristic.
7. Time for Family or Personal Life	.098	86% said this was a most or very important characteristic.	67% said this was a most or very important characteristic.
Demographic			
8. Gender and Martial Status	.022	22% of respondents were female.	Only 4.5% of respondents were female.
9. Managerial Status	.001	56% were managers.	82% were managers.
10. Years Employed in Logistics	.077	89% for more than 6 years.	81% for more than 6 years.

Table 5. Summary of Differences

Notes

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